

THE TORONTO STOCK EXCHANGE

11/9/69

FILING STATEMENT NO. 1709.
FILED, SEPTEMBER 17th, 1969.

JELEX MINES LIMITED

Full corporate name of Company
Incorporated as Jellicoe Mines (1939) Limited under Part XI, The Companies Act, (Ontario). Supplementary Letters Patent dated October 1, 1963 to change name.
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

Reference is made to previous
Filing Statement No. 1362.

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

| | |
|--|--|
| 1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed. | Offering of rights to shareholders to purchase a maximum of 318,000 treasury shares, and a standby underwriting agreement. (See Items 6 and 7) |
| 2. Head office address and any other office address. | Suite 202, 185 Bay Street, Toronto, Ontario. |
| 3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors. | <p>President and a Director: ELMORE M. DILLMAN, 2050 Stavebank Road North, Mississauga, Ontario. Professional Engineer, Prospector and Developer.</p> <p>Vice-President and a Director: WILLIAM D. MacLEAN, 291 Riverside Drive, Oakville, Ontario. Professional Engineer.</p> <p>Secretary-Treasurer and a Director: CHARLES B. WALLACE, 170 Bayview Avenue, Richmond Hill, Ontario. Real Estate Broker.</p> <p>Director: JOHN S. GRANT, Q.C., 17 Daleberry Place, Willowdale, Ontario. Partner - Manley, Grant, Armstrong & Camisso, Barristers and Solicitors.</p> <p>Director: J. LANE DILLMAN, 2050 Stavebank Road North, Mississauga, Ontario. Student at Law.</p> |
| 4. Share capitalization showing authorized and issued and outstanding capital. | <p>Authorized - \$5,000,000 divided into 5,000,000 common shares with a par value of \$1 each.</p> <p>Issued - 3,180,000 shares, all as fully paid.</p> |
| 5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding. | None |

| 6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement. | <p>The Company will offer to its shareholders who are of record at a date to be fixed by the directors, and presently contemplated as a date in late September, 1969, the right to purchase from treasury at 40¢ per share one (1) additional share for every ten (10) shares of the Company held at the record date. The offering will continue for a period of four weeks from the record date. Based on the present issued share position of 3,180,000 shares, there will be a maximum of 318,000 shares available to shareholders.</p> <p>The offering will not be registered under The Securities and Exchange Act of 1933 of the United States and will not be made to shareholders whose addresses are in the United States or any of its territories or possessions. There is understood to be no objection to a United States shareholder selling his rights.</p> <p>Subscriptions for fractional shares will not be accepted. The rights will be transferable and will be listed on the Toronto Stock Exchange and will be traded in on the Exchange until shortly before the rights expire.</p> <p>In order that the Company be assured receipt of at least \$125,000, Standard Securities Limited, a Member of the Toronto Stock Exchange, acting as the principal, has agreed with the Company that at the end of the rights offering it will purchase at 40¢ per share such number of shares (if any) as must be purchased by it to ensure receipt by the Company of the sum of \$125,000 from the offering and from the agreement with Standard Securities Limited. Any shares which shall be so purchased by Standard Securities Limited are being purchased for investment and not with a view to resale or distribution unless and until compliance with the requirements of The Securities Act, 1966 has been met. In the event that such shares are to be distributed to the public, the Company will file a Statement of Material Facts for such purpose. The sale of the said additional treasury shares by the Company to its shareholders is exempt from registration under The Securities Act, 1966 provided that the Company files the required material with the Ontario Securities Commission.</p> | | | | | | | | | | | | |
|--|--|--------------------------|---------|--------------------------|-----------------|--|------|-----------------|---|------|-------------|--|------|
| 7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof. | <p>Standard Securities Limited, 185 Bay Street, Toronto, Ontario.</p> <p>The persons owning a greater than 10% therein are:</p> <table><thead><tr><th>Name</th><th>Address</th><th>% of Equity Shares Owned</th></tr></thead><tbody><tr><td>Ernest E. Lewis</td><td>4155 Mississauga Rd., Streetsville, Ont.</td><td>20.6</td></tr><tr><td>Ralph C. Henson</td><td>17 Chestnut Park Rd., Toronto, Ontario.</td><td>12.5</td></tr><tr><td>John Gardon</td><td>41 Himount Drive, Willowdale, Ontario.</td><td>12.5</td></tr></tbody></table> | Name | Address | % of Equity Shares Owned | Ernest E. Lewis | 4155 Mississauga Rd., Streetsville, Ont. | 20.6 | Ralph C. Henson | 17 Chestnut Park Rd., Toronto, Ontario. | 12.5 | John Gardon | 41 Himount Drive, Willowdale, Ontario. | 12.5 |
| Name | Address | % of Equity Shares Owned | | | | | | | | | | | |
| Ernest E. Lewis | 4155 Mississauga Rd., Streetsville, Ont. | 20.6 | | | | | | | | | | | |
| Ralph C. Henson | 17 Chestnut Park Rd., Toronto, Ontario. | 12.5 | | | | | | | | | | | |
| John Gardon | 41 Himount Drive, Willowdale, Ontario. | 12.5 | | | | | | | | | | | |
| 8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition. | None | | | | | | | | | | | | |
| 9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any. | <p>The Company will receive at least \$125,000 from the proposed rights offering. These funds will be employed to pay existing liabilities and ordinary operating expenses and to pay the Company's share of proposed exploration over some 2,115 claims in the Ungava nickel belt of Quebec wherein the Company holds a 25% net interest. No definite plans have as yet been made for such exploration. The Company will also continue to examine other mineral prospects of interest.</p> <p>Of the accounts payable shown in the accompanying financial information, \$38,150 is owed to E.M.D. Engineering Limited, a company controlled by E.M. Dillman, President of Jexel Mines Limited. This amount represents acquisition and/or exploration costs payable by the Company and advanced by E.M.D. Engineering Limited on behalf of the Company, with respect to the Eastmain River project and the Ungava mining claims referred to in this Filing Statement.</p> | | | | | | | | | | | | |

SCHEDULE "A"

(a) During the latter part of 1968 and in early 1969, the Company as to a 25% net interest, acquired approximately 1600 claims in the Eastmain River area of Northern Quebec. The Company's associates were Calvert Gas & Oils Limited, Brandy Brook Mines Limited and Mid-Patapedia Mines Limited, each of which also hold a 25% net interest. The claims were originally acquired from Jean Cyr and Leo Cyr of Amos, Quebec, who were entitled to receive certain vendor shares in any new company formed on the project.

An agreement has been made as of July 21, 1969 between Anglo American Corporation of Canada Limited, Hudson Bay Exploration and Development Company Limited, Denison Mines Limited, Denison Mines (Quebec) Limited, of the First Part, and the Company, Brandy Brook Mines Limited, Calvert Gas & Oils Limited and Mid-Patapedia Mines Limited, of the Second Part, and Jean Cyr and Leo Cyr, of the Third Part, and Elmore M. Dillman, of the Fourth Part, and Hudson Bay Mining and Smelting Co. Limited, of the Fifth Part. Under this agreement the four parties of the First Part will spend at least \$200,000 in exploration of the Eastmain properties by December 15, 1970. For so doing they receive an option to expend further money up to and including October 15, 1972. If an additional \$300,000 is spent by the latter date, the optionees have the right to form a new company or companies for the purpose of acquiring the properties. Any such new company or companies will have an initial authorized capital of 3,000,000 shares. The Messrs. Cyr are entitled to receive 300,000 shares of any new company formed on the original 350 claims forming part of the properties. On any new company formed on the other claims which form part of the properties, the Messrs. Cyr shall receive 10% of 750,000 vendor shares.

If the four optionee companies shall spend \$500,000 in exploration, they will share among them a 60% interest in the properties and the interests of the Company and its three corporate associates will be reduced to 40% whereof the Company will have one-fourth or 10% of the whole. If exploration expense is incurred in excess of \$500,000 before incorporation of new companies (\$150,000 being required to be spent annually to extend the option rights) the Company and its three corporate associates must advance their respective part of the exploration expenses above \$500,000 or suffer a proportionate diminution in their interests in the matter.

(b) The Company holds a 25% net interest in 2,115 mining claims in the Ungava nickel belt of New Quebec. Argosy Mining Corporation Limited holds a 50% net interest and Brandy Brook Mines Limited a 25% net interest. The project is subject to a 10% prospector interest on shares of any new company formed. An exploration program consisting of an aerial survey was planned for the project this summer and the final decision on the program has been delayed pending clarification of certain assertions by other companies which purport to question the title to a group of 1,500 of the claims. The Company and its associates have received no formal notice of any such appeal and rely fully upon priority of staking and possession of recording licences for over a year. The Company and its associates will contest to the fullest possible extent any appeal or allegations if they be made.

(c) The Company carried out prospecting and limited exploration on its Gaspé and Patapedia area claims without encountering anything of interest. Certain of these properties have been retained as well as claims and interests in Courtemanche Township, Quebec, the Little Long Lac area of Ontario and the State of Maine.

FINANCIAL STATEMENTS

JELEX MINES LIMITED
(Incorporated under the laws of Ontario)

BALANCE SHEET

June 30, 1969

A S S E T S

CURRENT ASSETS

| | | |
|---------------------------------|------------------|--------------|
| Cash in bank | \$ 5,549.52 | |
| Accounts receivable | 2,319.58 | |
| Marketable securities - at cost | | |
| (Market value - \$48,277.00) | <u>70,324.31</u> | \$ 78,193.41 |

| | | |
|------------------------|--|-----------|
| MINING CLAIMS (Note 1) | | 41,243.00 |
|------------------------|--|-----------|

| | | |
|---|--|----------|
| PROSPECTING EQUIPMENT at cost less accumulated depreciation of \$2,428.06 | | 2,421.12 |
|---|--|----------|

| | | |
|---|--|------|
| INVESTMENT IN OTHER MINING COMPANIES - at nominal value | | 1.00 |
|---|--|------|

DEFERRED EXPENDITURES

| | | |
|----------------|------------------|-------------------|
| Exploration | 154,752.07 | |
| Administration | <u>28,273.91</u> | <u>183,025.98</u> |
| | | \$304,884.51 |

L I A B I L I T I E S

CURRENT LIABILITIES

| | | |
|---------------------|------------------|--------------|
| Bank loan (secured) | \$ 23,765.75 | |
| Accounts payable | <u>44,781.75</u> | \$ 68,547.50 |

SHAREHOLDERS' EQUITY

| | | |
|---|---------------------|-------------------|
| Capital Stock | | |
| Authorized - 5,000,000 shares of \$1 each | | |
| Issued and fully paid - 3,180,000 shares | 3,180,000.00 | |
| Less discount | <u>2,643,700.00</u> | |
| | 536,300.00 | |
| Deficit | <u>299,962.99</u> | <u>236,337.01</u> |
| | | \$304,884.51 |

See accompanying notes to financial statements

Approved on behalf of the Board:-

E. J. Zellman Director

A. W. L. L. Director

JELEX MINES LIMITED

STATEMENT OF DEFERRED EXPLORATION EXPENDITURE

For the six months ended June 30, 1969

| | Balance at <u>Jan 1/69</u> | Expenditure in 6 months to June 30/69 | Balance at <u>June 30/69</u> |
|---|----------------------------------|---|------------------------------------|
| GENERAL EXPLORATION, STAKING COSTS AND PROPERTY EXAMINATIONS | | | |
| Washington County, Maine | \$ 12,008.02 | \$ 7.80 | \$ 12,015.82 |
| Gaspe Area, Quebec | 39,363.85 | | 39,363.85 |
| Gaspe Area, Quebec (Antipodes) | 5,644.10 | | 5,644.10 |
| Patapedia Township, Quebec and N.B. | 28,051.08 | 987.63 | 29,038.71 |
| Havre - St. Pierre Area, Quebec | 20,772.07 | | 20,772.07 |
| East Main River Area, Quebec | 1,000.00 | 24,641.70 | 25,641.70 |
| Ungava Area, Quebec | 22,099.12 | | 22,099.12 |
| General | | 176.70 | 176.70 |
| | <u>\$128,938.24</u> | <u>\$25,813.83</u> | <u>\$154,752.07</u> |

STATEMENT OF DEFERRED ADMINISTRATION EXPENDITURE

For the six months ended June 30, 1969

| | |
|-----------------------------|---------------------|
| BALANCE AT JANUARY 1, 1969 | \$ 24,118.46 |
| Rent and office services | \$ 1,500.00 |
| Audit fees | 1,575.00 |
| Transfer Agency fees | 608.36 |
| Toronto Stock Exchange fees | 100.00 |
| Telephone | 46.65 |
| Other Expenses | <u>325.44</u> |
| | 4,155.45 |
| BALANCE AT JUNE 30, 1969 | <u>\$ 28,273.91</u> |

STATEMENT OF DEFICIT

For the six months ended June 30, 1969

| | |
|---------------------------------------|---------------------|
| Balance at January 1, 1969 | \$307,817.81 |
| Add interest expense | 1,500.12 |
| | <u>309,317.93</u> |
| Deduct: | |
| Gain on sale of marketable securities | \$7,529.12 |
| Dividends received | <u>1,825.82</u> |
| | 9,354.94 |
| Balance at June 30, 1969 | <u>\$299,962.99</u> |

JELEX MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the six months ended June 30, 1969 with 1968 comparison

| | <u>1969</u> | <u>1968</u> |
|--|--------------------|---------------------|
| SOURCE OF FUNDS: | | |
| Dividends received | \$ 1,825.82 | \$ 3,111.25 |
| Gain on sale of marketable securities | <u>7,529.12</u> | <u> </u> |
| | <u>9,354.94</u> | <u>3,111.25</u> |
| APPLICATION OF FUNDS: | | |
| Exploration expenditure | | |
| General exploration, staking costs | | |
| and property examinations | \$25,813.83 | |
| Deduct expenses reflected as participation | | |
| in joint exploration venture in prior year <u>5,454.71</u> | 20,359.12 | 9,133.77 |
| Acquisition of mining claims | 18,174.50 | |
| Administration expenditure | 4,155.45 | 4,046.69 |
| Loss on sale of marketable securities | | 5,022.65 |
| Interest expense | <u>1,500.12</u> | <u> </u> |
| | <u>44,189.19</u> | <u>18,203.11</u> |
| DECREASE IN WORKING CAPITAL | 34,834.25 | 15,091.86 |
| WORKING CAPITAL AT BEGINNING OF PERIOD | <u>44,480.16</u> | <u>123,704.06</u> |
| WORKING CAPITAL AT END OF PERIOD | <u>\$ 9,645.91</u> | <u>\$108,612.20</u> |
| Represented by:- | | |
| Current Assets | \$78,193.41 | \$164,209.32 |
| Current Liabilities | <u>68,517.50</u> | <u>55,597.12</u> |
| | <u>\$ 9,645.91</u> | <u>\$108,612.20</u> |

JELEX MINES LIMITEDMARKETABLE SECURITIESJune 30, 1969

| <u>Number of Shares</u> | <u>Stock</u> | <u>Cost</u> | <u>Market Value</u> |
|---------------------------------|--|--------------------|-------------------------|
| 4,716 | Class A, convertible preference shares Seaway Multi Corporation | \$49,224.31 | \$26,527.50 |
| 1,000 | Common International Mogul Mines Limited | 21,100.00 | 21,750.00 |
| | | <u>\$70,324.31</u> | <u>\$48,277.00</u> |

On March 10, 1969, 5,216 Class "A", convertible preferred shares and 870 Class "A" Warrants of Seaway Multi Corporation were received in exchange for 2,000 Class "B" preferred shares of Levy Industries Limited. The proceeds on sale of the warrants has been deducted in arriving at the cost of Class A preferred shares.

NOTES TO FINANCIAL STATEMENTSJune 30, 19691. MINING CLAIMS(a) Acquired for cash

15% interest in 30 claims in the Township
of Lesseps, Quebec

\$ 8,062.50

1/4 interest in, 1,599 claims in the East Main
River Area, Quebec

33,174.50 41,237.00

(b) Acquired by staking or by lease and recorded
at nominal valueGaspé Park Area, Quebec

1/3 interest in 2 claims in Township
of Leclercq

1/4 interest in 8 claims in Township
of Holland

1.00

Havre - St. Pierre Area, Quebec

6 claims in Township of Courtemanche

1.00

Patapédia Area, Quebec

2/3 interest in 12 claims in Township
of Patapédia

1.00

Washington County Area, Maine

1/2 interest in 3 leases in Washington
County, State of Maine, U.S.A.

1.00

Ungava Nickel Belt Area, New Quebec

1/4 interest in 2,115 claims

1.00

5.00

(c) Other claims recorded at nominal value

10 patented claims in Thunder Bay Area,
Lindsay Township, Ontario

1.00\$41,243.00

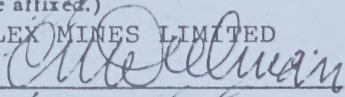
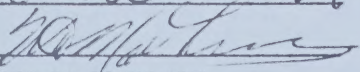
| 10. Brief statement of company's chief development work during past year. | See Schedule "A" | | | | | | | | | | | | | | |
|--|---|-------------------------|----------------------|--|---------|---|---------|--|---------|--|---------|---|---------|--|---------|
| 11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid. | None | | | | | | | | | | | | | | |
| 12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company. | None | | | | | | | | | | | | | | |
| 13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement. | None | | | | | | | | | | | | | | |
| 14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.) | None | | | | | | | | | | | | | | |
| 15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state. | <p>According to the records of the Company's share registrar and transfer agent at August 13, 1969:</p> <table> <thead> <tr> <th><u>Name and Address</u></th><th><u>No. of Shares</u></th></tr> </thead> <tbody> <tr> <td>Standard Securities Limited, 185 Bay Street, Toronto, Ontario.</td><td>411,700</td></tr> <tr> <td>Gee & Co., c/o Canadian Imperial Bank of Commerce, 25 King Street West, Toronto, Ontario.</td><td>315,200</td></tr> <tr> <td>Roytor & Co. No.1 Account, c/o The Royal Bank of Canada, 20 King Street West, Toronto, Ontario.</td><td>255,500</td></tr> <tr> <td>Doherty, Roadhouse & McCuaig Bros., 401 Bay Street, Toronto, Ontario.</td><td>144,472</td></tr> <tr> <td>Elmore M. Dillman, Suite 202, 185 Bay Street, Toronto, Ontario.</td><td>100,000</td></tr> <tr> <td>Royork & Co., c/o The Royal Bank of Canada, 68 William Street, New York, N.Y.</td><td>100,000</td></tr> </tbody> </table> <p>The Company is informed that 300,000 of the shares registered in the name of Gee & Co. are beneficially owned among subsidiaries of Anglo American Corporation of Canada Limited and Hudson Bay Mining & Smelting Co. Ltd.</p> <p>Dacron Corporation Limited, of which E.M. Dillman is an officer, director and shareholder, beneficially owns 85,800 of the shares registered in the name of Standard Securities Limited.</p> | <u>Name and Address</u> | <u>No. of Shares</u> | Standard Securities Limited, 185 Bay Street, Toronto, Ontario. | 411,700 | Gee & Co., c/o Canadian Imperial Bank of Commerce, 25 King Street West, Toronto, Ontario. | 315,200 | Roytor & Co. No.1 Account, c/o The Royal Bank of Canada, 20 King Street West, Toronto, Ontario. | 255,500 | Doherty, Roadhouse & McCuaig Bros., 401 Bay Street, Toronto, Ontario. | 144,472 | Elmore M. Dillman, Suite 202, 185 Bay Street, Toronto, Ontario. | 100,000 | Royork & Co., c/o The Royal Bank of Canada, 68 William Street, New York, N.Y. | 100,000 |
| <u>Name and Address</u> | <u>No. of Shares</u> | | | | | | | | | | | | | | |
| Standard Securities Limited, 185 Bay Street, Toronto, Ontario. | 411,700 | | | | | | | | | | | | | | |
| Gee & Co., c/o Canadian Imperial Bank of Commerce, 25 King Street West, Toronto, Ontario. | 315,200 | | | | | | | | | | | | | | |
| Roytor & Co. No.1 Account, c/o The Royal Bank of Canada, 20 King Street West, Toronto, Ontario. | 255,500 | | | | | | | | | | | | | | |
| Doherty, Roadhouse & McCuaig Bros., 401 Bay Street, Toronto, Ontario. | 144,472 | | | | | | | | | | | | | | |
| Elmore M. Dillman, Suite 202, 185 Bay Street, Toronto, Ontario. | 100,000 | | | | | | | | | | | | | | |
| Royork & Co., c/o The Royal Bank of Canada, 68 William Street, New York, N.Y. | 100,000 | | | | | | | | | | | | | | |
| 16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company. | The present directors of the Company, subject to receipt of proxies in sufficient number from other shareholders. | | | | | | | | | | | | | | |

| | | | | |
|---|--|--|--------------------|--------------------|
| 17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value. | Number of Shares | Stock | Cost | Market Value |
| | 4,716 | Class A, convertible preference shares Seaway Multi Corporation | \$49,224.31 | \$26,527.50 |
| | 1,000 | Common International Mogul Mines Limited | 21,100.00 | 21,750.00 |
| | | | <u>\$70,324.31</u> | <u>\$48,277.50</u> |
| | On March 10, 1969, 5,216 Class "A", convertible preferred shares and 870 Class "A" Warrants of Seaway Multi Corporation were received in exchange for 2,000 Class "B" preferred shares of Levy Industries Limited. The proceeds on sale of the warrants has been deducted in arriving at the cost of Class A preferred shares. | | | |
| 18. Brief statement of any lawsuits pending or in process against company or its properties. | None | | | |
| 19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing. | None | | | |
| 20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public. | There are no other material facts. | | | |

CERTIFICATE OF THE COMPANY

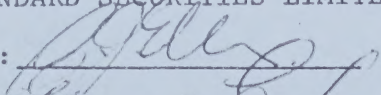
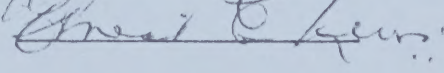
DATED September 3, 1969

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

| | | |
|----------------|---|-------------------|
| "E.M. Dillman" | Per:  | CORPORATE SEAL |
| "W.D. MacLean" | Per:  | |

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

| | |
|--------------|---|
| | STANDARD SECURITIES LIMITED |
| "S.J. Ellis" | Per:  |
| "E.E. Lewis" |  |

